The MHSER Big Picture

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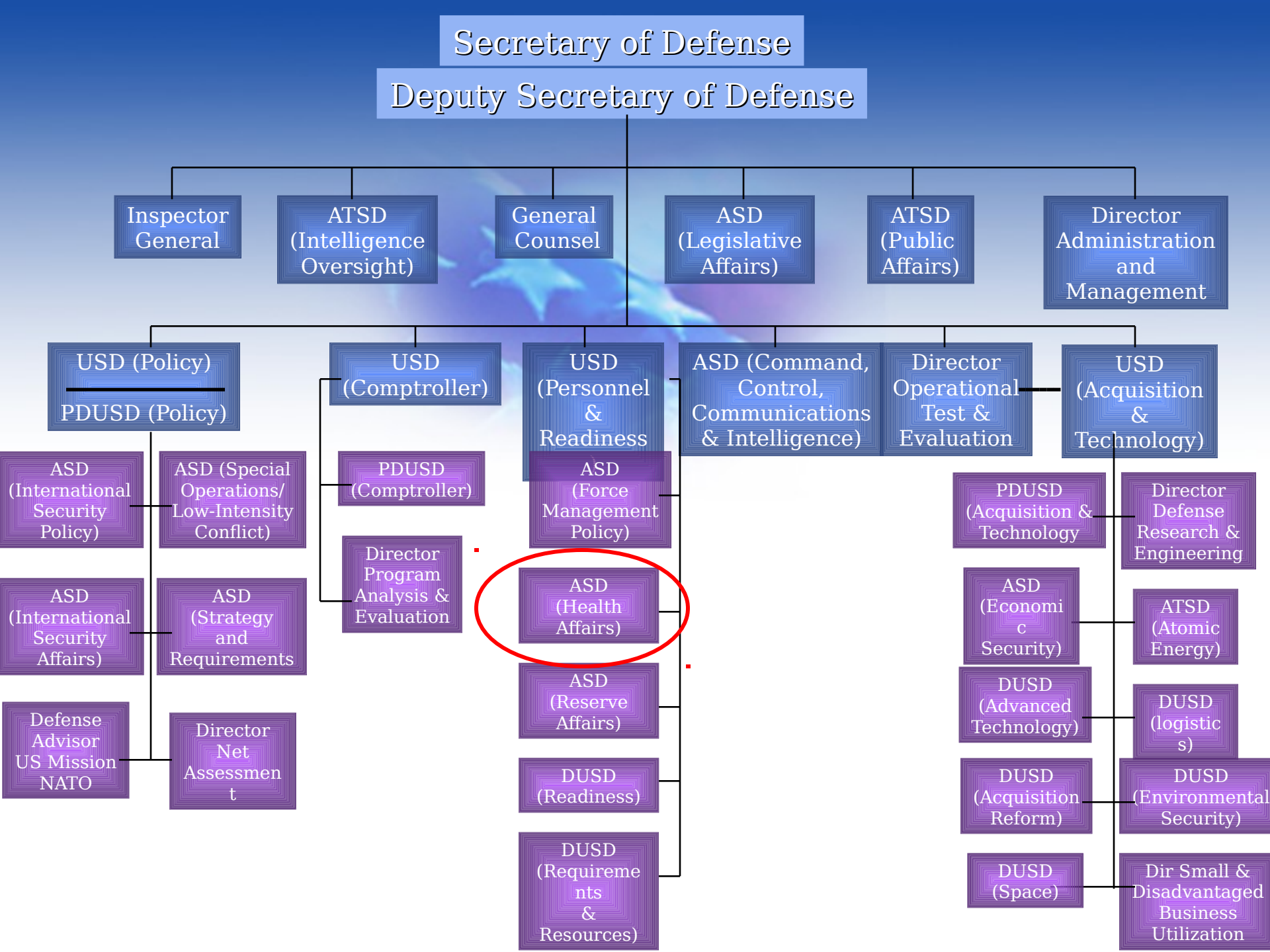
Health Budgets & Financial Policy

Agenda

DoD Organizational Structure
The Defense Health Program
The Mission
The MHSER

Questions

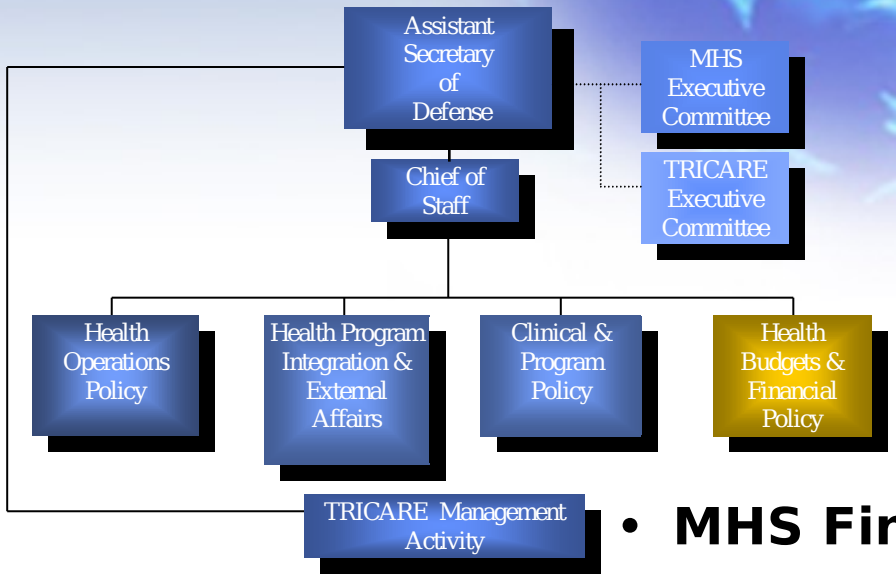

Secretary of Defense
Deputy Secretary of Defense
Inspector General
ATSD (Intelligence Oversight)
General Counsel
ASD (Legislative Affairs)
ATSD (Public Affairs)
Director Administration and Management
USD (Policy)
PDUSD (Policy)
USD (Comptroller)
USD (Personnel & Readiness
ASD (Command, Control, Communications & Intelligence)
Director Operational Test & Evaluation
USD (Acquisition & Technology)
ASD (International Security Policy)
ASD (Special Operations/ Low-Intensity Conflict)
ASD (International Security Affairs)
ASD (Strategy and Requirements
Defense Advisor US Mission NATO
Director Net Assessment
PDUSD (Comptroller)
Director Program Analysis & Evaluation
ASD (Force Management Policy)
ASD (Health Affairs)
ASD (Reserve Affairs)
DUSD (Readiness)
DUSD (Requirements & Resources)
PDUSD (Acquisition & Technology
Director Defense Research & Engineering
ASD (Economic Security)
ATSD (Atomic Energy)
DUSD (Advanced Technology)
DUSD (logistics)
DUSD (Acquisition Reform)
DUSD (Environmental Security)
DUSD (Space)
Dir Small & Disadvantaged Business Utilization

ASD (HA) Responsibilities

The Assistant Secretary for Health Affairs is the Principal Staff Assistant to the SECDEF for all DoD Health Policies (DoDD 5136.1)

- **DoD Officer Responsible for the Effective Execution of the Department's Medical Mission**
- **Functional Areas:**
  - **Medical Readiness; Health Benefits Programs; MIS; R&D; Professional Development; MILCON; Training**
- **Medical Personnel, Facilities, Programs, Funding, and other resources within the DoD shall be subject to the authority, direction, and control of the ASD(HA)**

OASD (HA) Organization



Health Budgets and Financial Policy

- MHS Financial Policy Development
- Develops Medical Program Guidance (MP
- Oversees the DHP POM
- Budget Execution Oversight for DHP
- Program Analysis
- MHS Optimization

The Defense Health Program

What does it pay for?

- **Unified medical program, single appropriation**
- **DHP Appropriations Support:**
  - **Medical and Dental Services to all DoD eligible beneficiaries**
  - **Medical Education and Training**
  - **Medical Command Headquarters**
  - **Occupational and Industrial Healthcare**
  - **Veterinary Services**
  - **Specialized Services for Training of Medical Personnel**

The Defense Health Program

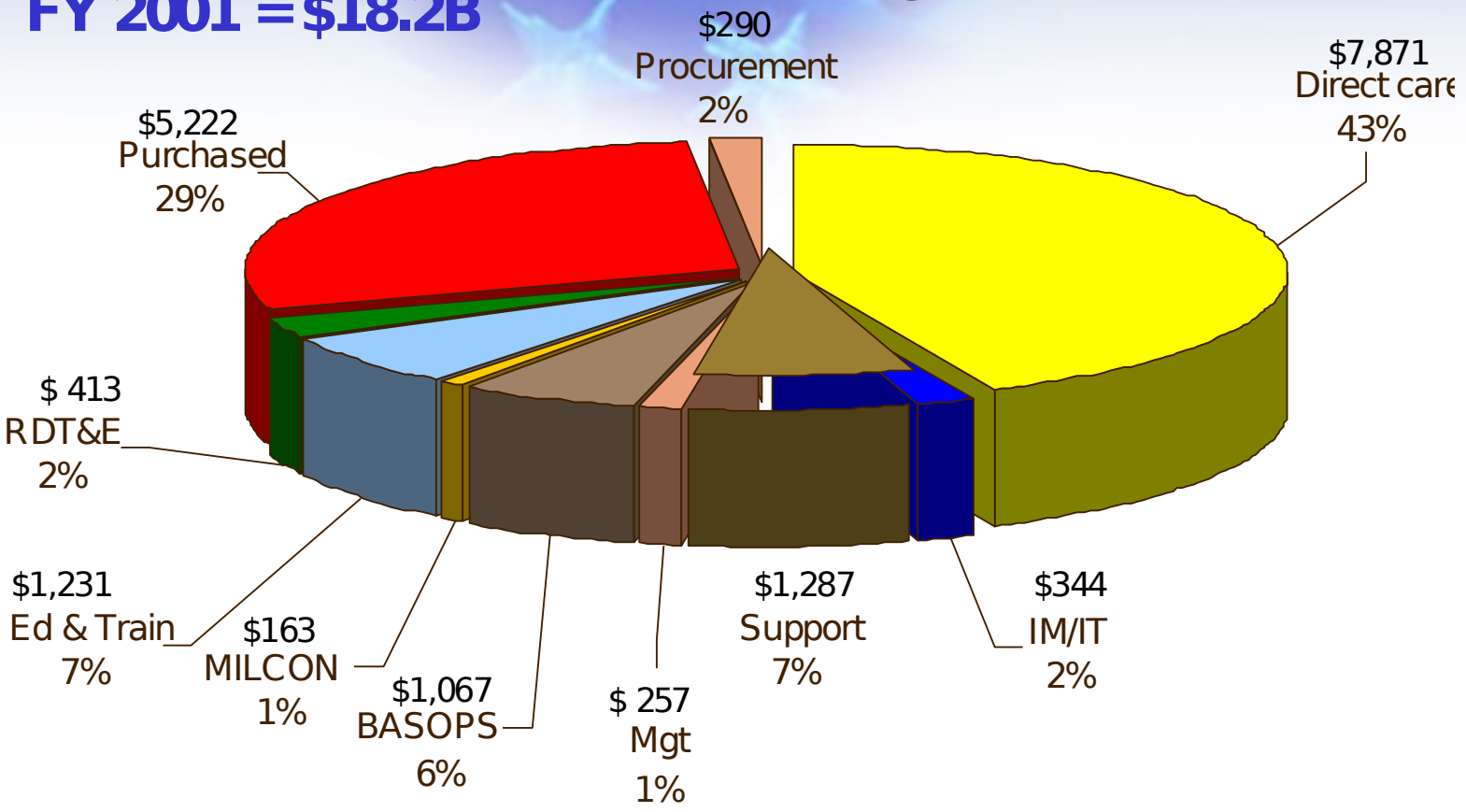
What do we get?_

- Department's healthcare mission is complex and evolving
  - MHS currently serves 8.3 million eligible beneficiaries
  - Direct care is delivered worldwide in 81 hospitals and over 514 clinics
    - 300,000 inpatient admissions, 32.4 million clinic visits
    - 55 million prescriptions filled
    - 99,000 births
    - 33.2 million claims processed in FY00
  - Civilian care is purchased through Managed Care Support contracts implemented under the TRICARE program
    - 161,000 providers, 2000 facilities and 28,000 pharmacies in our network
    - 40% of US Hospitals participate in TRICARE
    - accounts for 200,000 admissions, 12.2 million clinic visits

The Defense Health Program

Where does it go?

FY 2001 = $18.2B



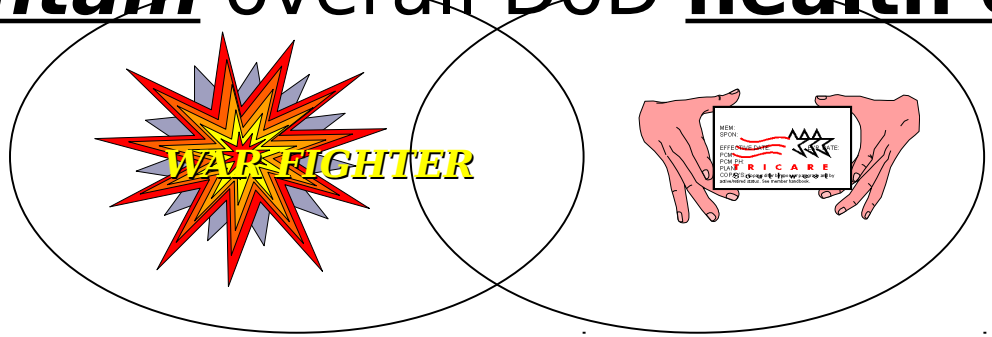
Organizational Relationships

Where do you fit?

The Mission

Maintain/Improve **Readiness…** **And**

- Improve beneficiary ***access*** to care
- Assure security of a ***quality*** benefit
- Preserve ***choice*** for all non-active duty
- ***Contain*** overall DoD **health costs**



Military Health System Executive Review

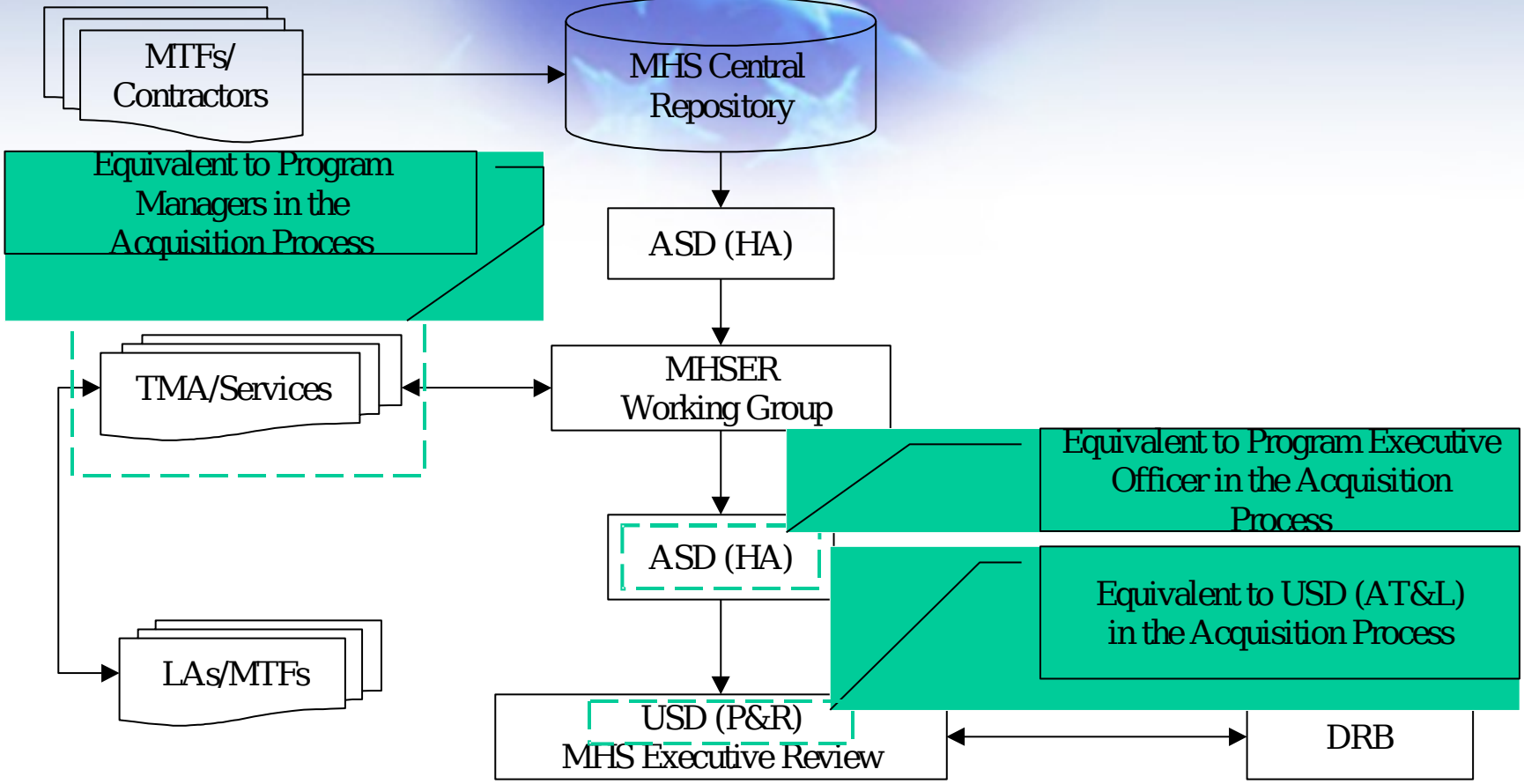
Why do we do it?

- DoD Review established to provide timely information on productivity and baseline performance **-- Improved Oversight of MHS**

- **Modeled on DoD process** used to track performance of major defense acquisition programs

- **Evaluates performance of MTF and Managed Care Support Contracts** in each region through Military Health System Executive Review (MHSER)

MHSER Process Integration with DAES



Military Health System Executive Review

How does it work?

- **Quarterly Review hosted by the USD(P&R)**
- **USD(C), ASD(FMP), ASD (HA), D(PA&E), Service Asst. Secretaries (M&RA), Executive Secretary to the Senior Executive Council invited**
- **Executive Director TMA, Military Services' and Coast Guard SGs attend**
- **PR&E office in Health Affairs supports MHSER process**

Military Health System Executive Review

How does it work?_

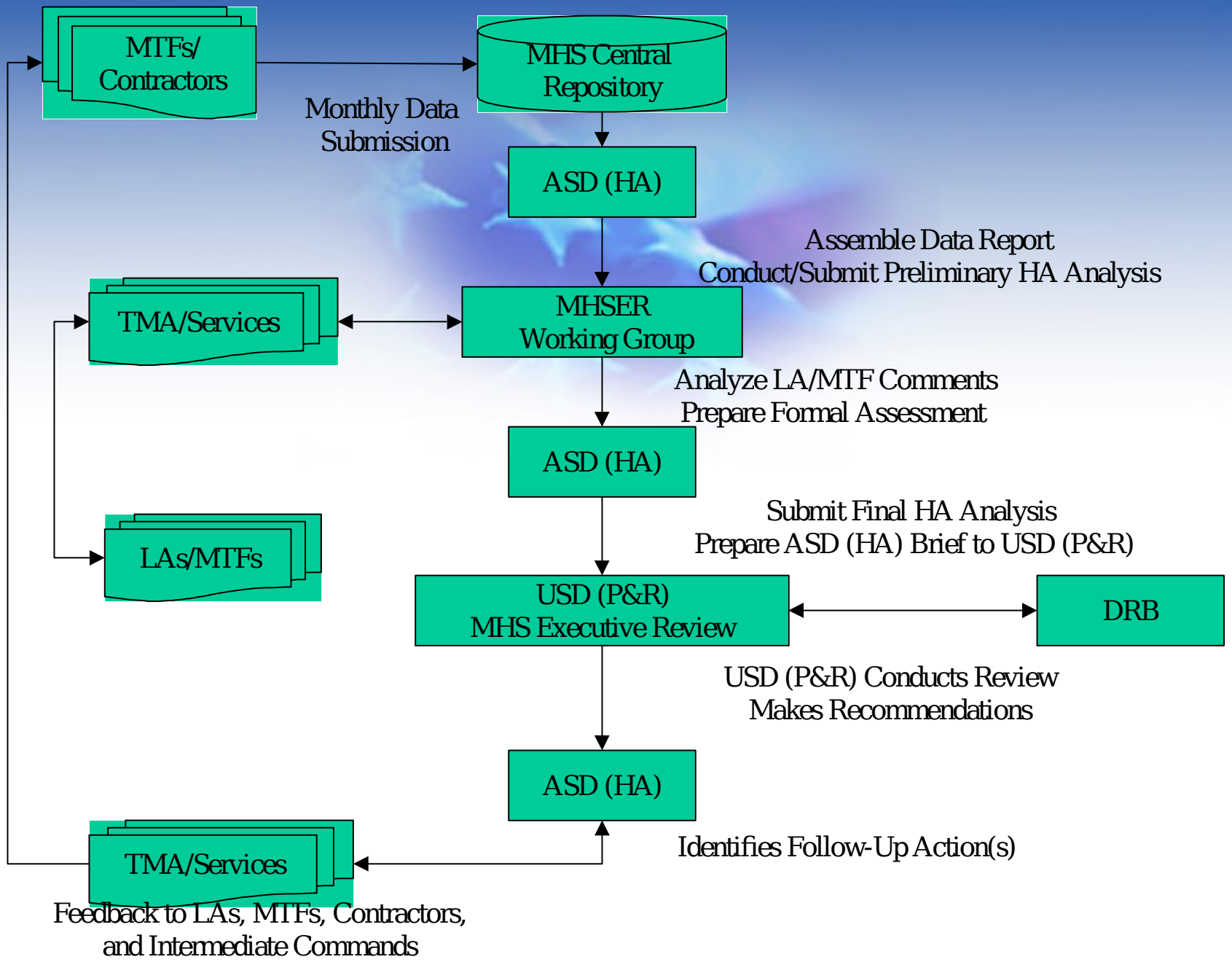
- **DoD (HA)**
  - **Mr. Greg Atkinson; Gregory.Atkinson@tma.osd.mil**
  - **LTC Mark Chin; Mark.Chin@ha.osd.mil**
- **TMA Analyst**
- **Army SG**
  - **MAJ Bill Lovell; William.Lovell@otsg.amedd.army.mil**
- **Navy SG**
  - **LT Mike Corriere; MACorriere@US.MED.NAVY.MIL**
  - **Mr. Anil Dhawan; ADhawan@US.MED.NAVY.MIL**
- **Air Force SG**
  - **LtCol Rick Reichard; Rick.Reichard@pentagon.af.mil**
  - **Capt Charesse McCreadie; Charesse.McCreadie@pentagon.af.mil**

Military Health System Executive Review

How does it work?_

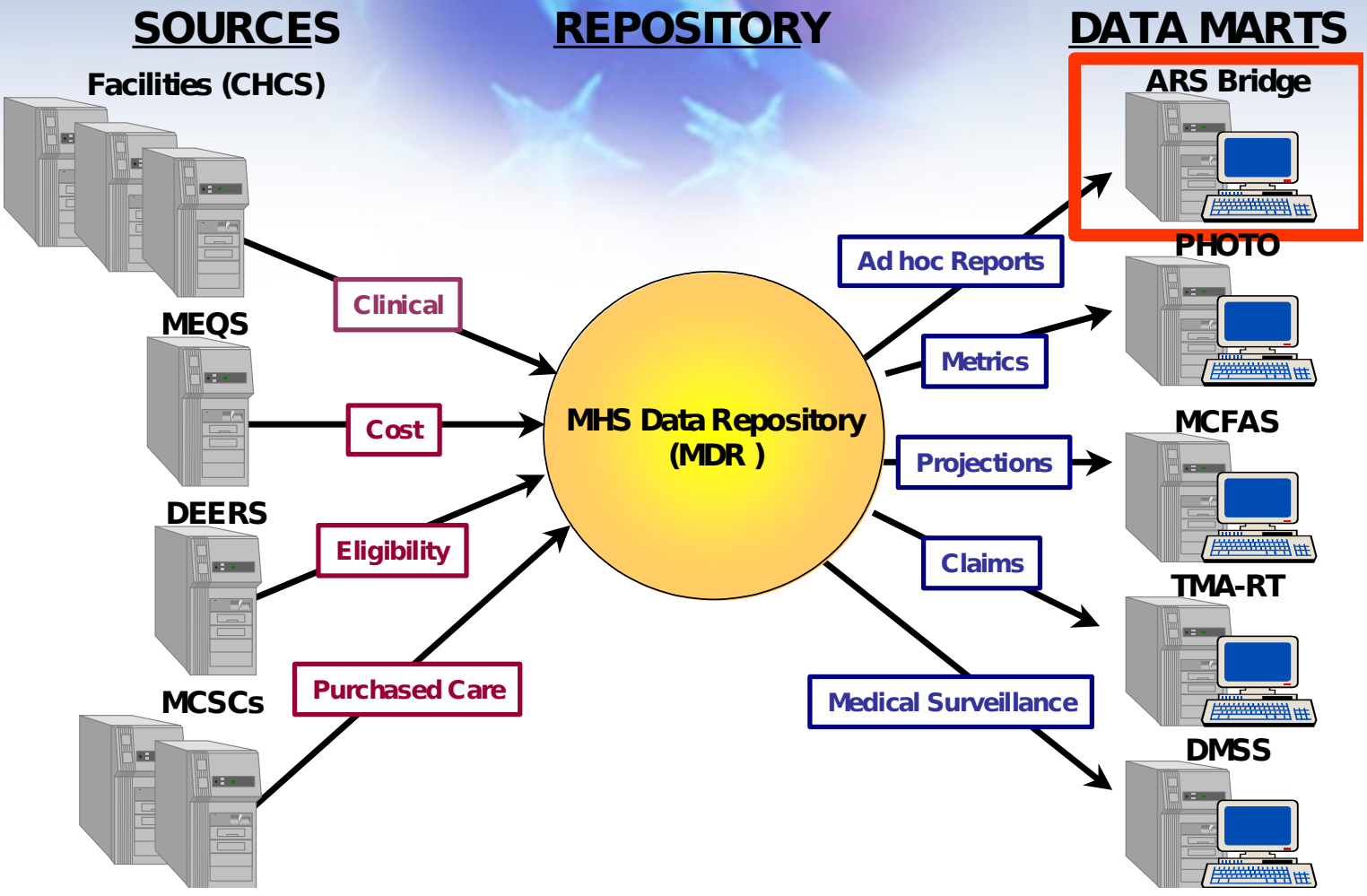
- **Sources:**
  - **M2/ARS Bridge, MEQS, Customer Satisfaction Survey, TMA Contractor Reports**
- **Data Reporting Schedule:**
  - **Quarterly data**
  - **3-4 regions at a time**
- **SGs, LAs, MTFs review general accuracy of information and deviations from baseline**
- **Examine relationships between direct care and purchased care**
- **Examine relationships between direct care workload and input (manpower and dollars)**

MHSER Process



Military Health System Executive Review

Where does the M2/ARS Bridge Fit?



Military Health System Executive Review

What is the M2/ARS Bridge Focus?_

MTF Workload Files

- MEQS
- Worldwide Workload Report

Person Files

- DEERS point-in-time extract (PITE)
- TRICARE Enrollment
- TSP Enrollment
- Longitudinal Enrollment

Health Care Services Files

- Direct Care Inpatient Stays
- Direct Care Visits/Encounters
- Network Institutional (HCSRs)
- Network Professional (HCSRs)
- National Mail Order Pharmacy

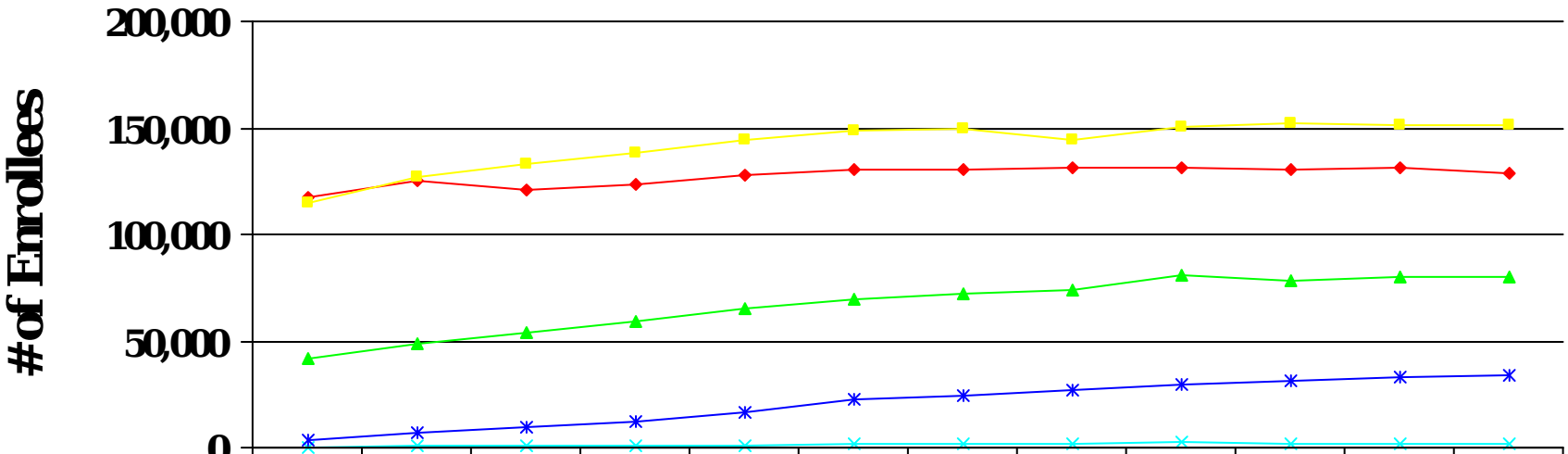
Integrated data to support decision makers at all levels

- MHS Eligible and TRICARE Enrolled Populations
- Direct Care and Purchased Care
- Clinical and Financial

MHSER Database Mining
Region 1

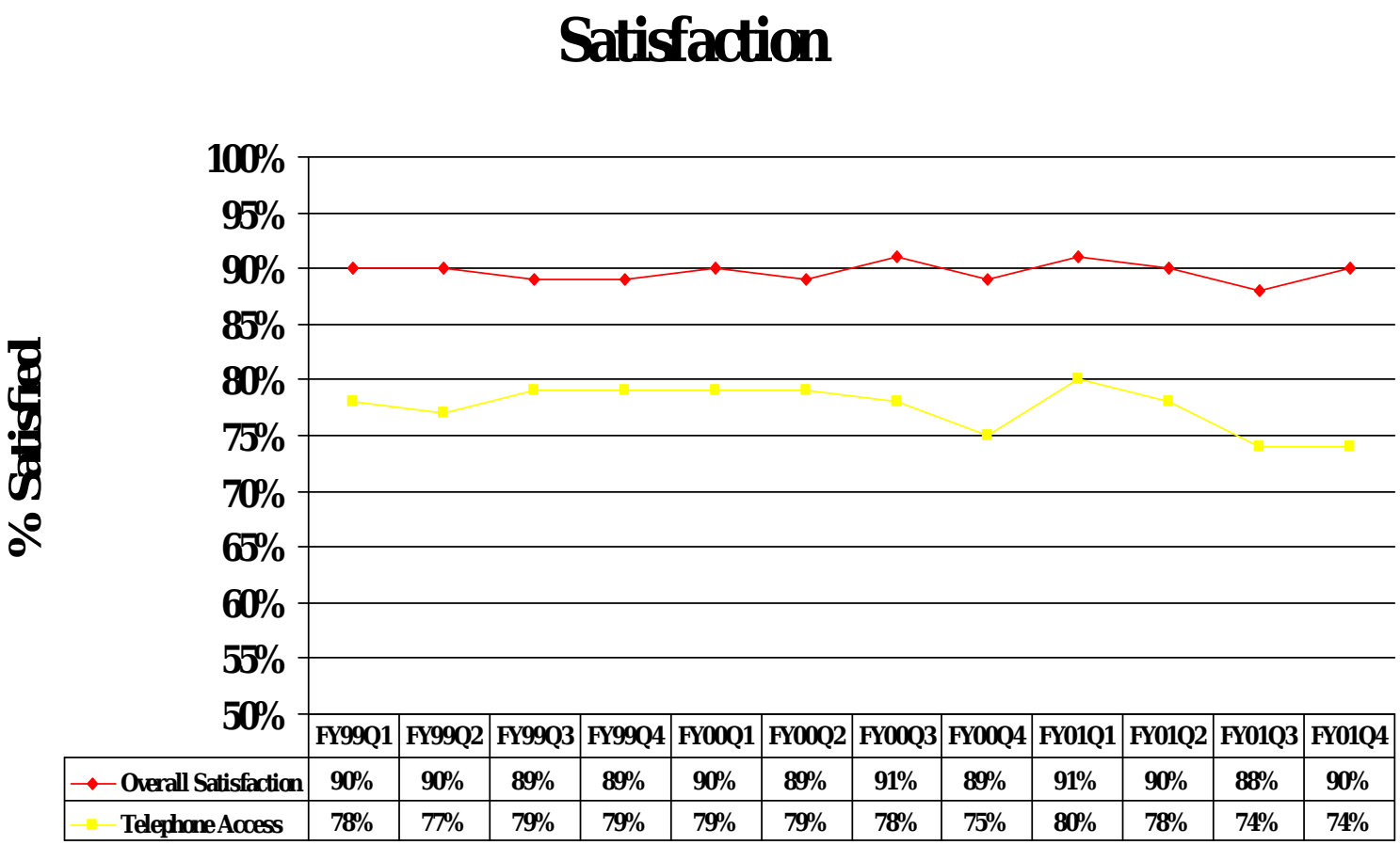
Region 1
Preliminary Assessment

Enrollment



	FY99Q1	FY99Q2	FY99Q3	FY99Q4	FY00Q1	FY00Q2	FY00Q3	FY00Q4	FY01Q1	FY01Q2	FY01Q3	FY01Q4
AD	117,049	124,982	121,294	123,156	128,191	130,087	130,375	131,308	131,174	130,656	131,410	129,112
ADD	114,484	126,656	132,859	137,952	144,296	148,702	149,893	144,550	150,717	152,466	151,141	151,135
NADD <65	41,413	48,548	53,955	59,374	64,789	69,648	72,179	73,822	80,498	78,491	79,750	79,675
NADD 65+	256	871	998	1,096	1,189	1,492	1,801	1,991	2,338	1,755	1,568	1,741
MCSC	3262	6624	9143	11768	16830	22649	24685	27171	29824	31095	32805	34125

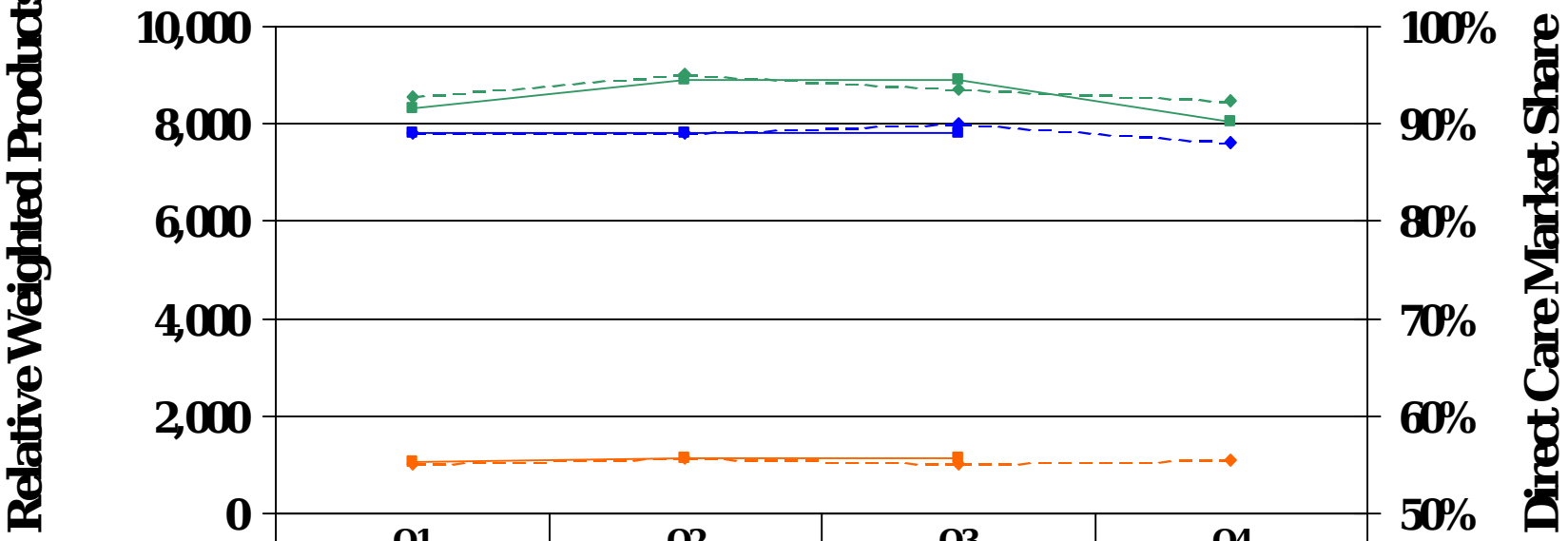
Region 1
Preliminary Assessment



	FY99Q1	FY99Q2	FY99Q3	FY99Q4	FY00Q1	FY00Q2	FY00Q3	FY00Q4	FY01Q1	FY01Q2	FY01Q3	FY01Q4
Overall Satisfaction	90%	90%	89%	89%	90%	89%	91%	89%	91%	90%	88%	90%
Telephone Access	78%	77%	79%	79%	79%	79%	78%	75%	80%	78%	74%	74%

Region 1
Preliminary Assessment

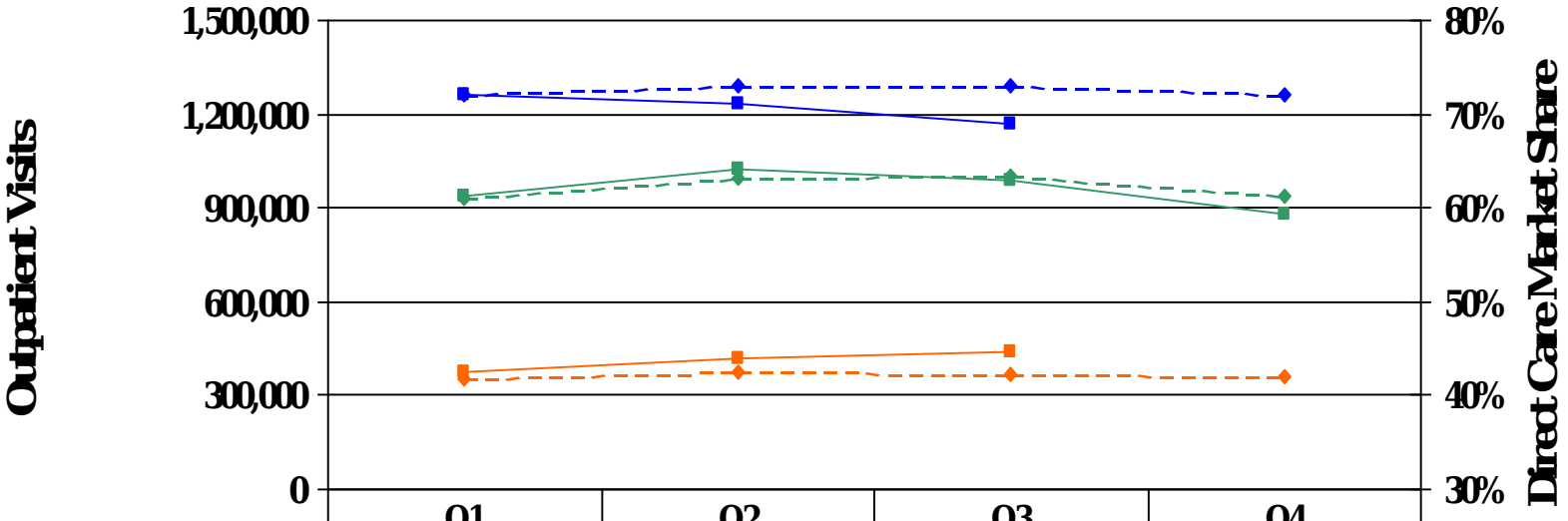
Inpatient Performance



	Q1	Q2	Q3	Q4
FY00 DC	8,571	9,005	8,724	8,474
FY01 DC	8,316	8,921	8,900	8,059
FY00 PC	1,018	1,117	1,004	1,106
FY01 PC	1,060	1,144	1,152	
FY00 Mkt	89%	89%	90%	88%
FY01 Mkt	89%	89%	89%	
% Chg Wkld			-1%	-5%

Region 1
Preliminary Assessment

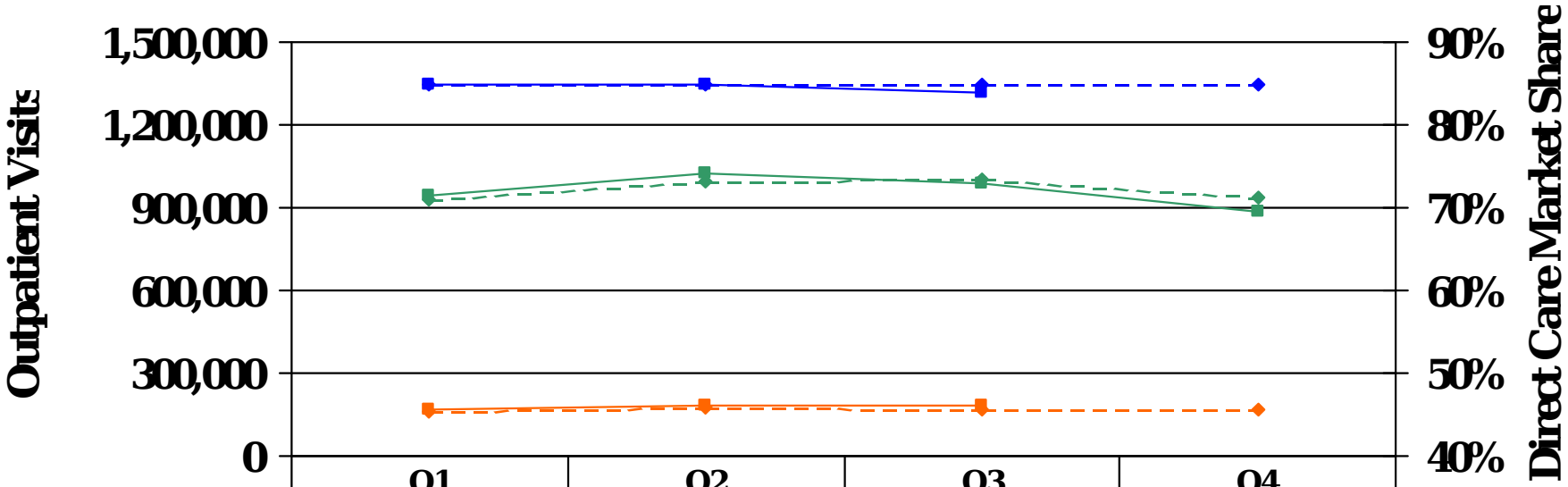
Outpatient Performance



	Q1	Q2	Q3	Q4
FY00 DC	929,725	996,896	999,476	938,930
FY01 DC	940,559	1,025,731	988,940	883,158
FY00 PC	353,656	376,518	369,047	359,384
FY01 PC	372,303	414,999	439,880	
FY00 Mkt	72%	73%	73%	72%
FY01 Mkt	72%	71%	69%	
% Chg Wkld			1%	-6%

Region 1 PRISM
Preliminary Assessment

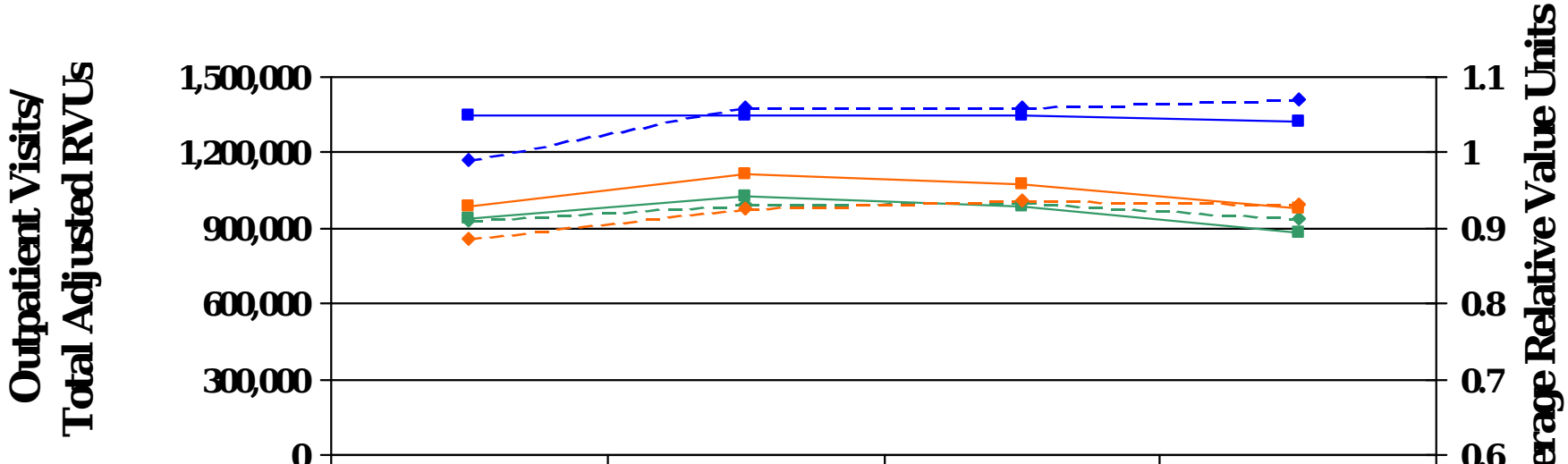
Outpatient Performance



	Q1	Q2	Q3	Q4
FY00 DC	929,725	996,896	999,476	938,930
FY01 DC	940,559	1,025,731	988,940	883,158
FY00 PC	160,837	172,675	171,392	164,822
FY01 PC	167,513	185,200	186,062	
FY00 Mkt	85%	85%	85%	85%
FY01 Mkt	85%	85%	84%	
% Chg Wkld			1%	-6%

Region 1
Preliminary Assessment

Outpatient Performance



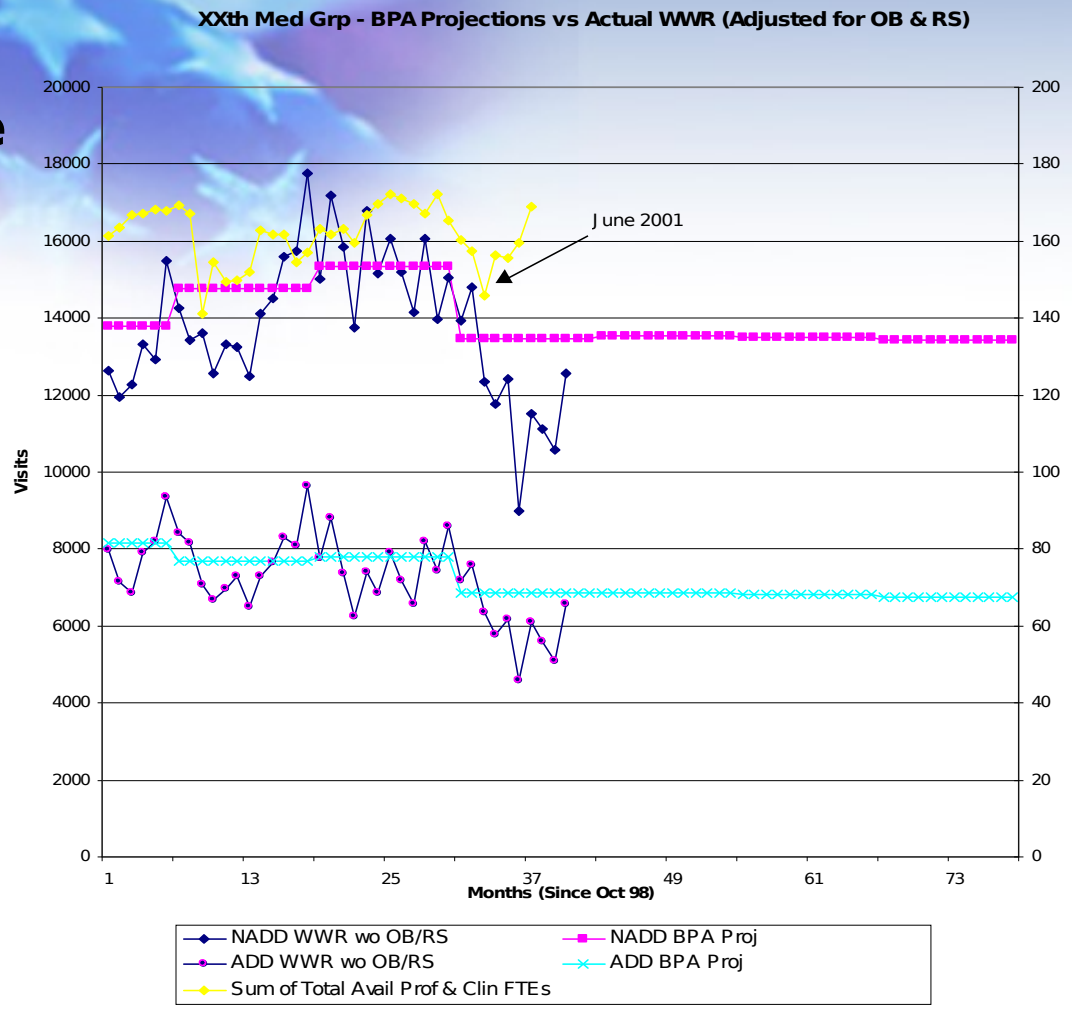
	Q1	Q2	Q3	Q4
FY00 DC Visits	929,725	996,896	999,476	938,930
FY01 DC Visits	940,559	1,025,731	988,940	883,158
FY00 RVUs	861,791	976,356	1,013,154	993,471
FY01 RVUs	989,659	1,114,898	1,075,214	975,161
FY00 Avg RVU	0.99	1.06	1.06	1.07
FY01 Avg RVU	1.05	1.05	1.05	1.04

Region 1
Preliminary MHSER Assessment Summary

- Enrollment slight decrease in last quarter
- Satisfaction:
  - Overall slight decrease 3rd qtr recovery in 4th qtr
  - Telephone decrease continues in 3rd and 4th Qtrs.
- Direct Care Inpatient workload down slightly
- Direct Care Outpatient visits down slightly
- Direct Care Outpatient RVUs up
  - More complete reporting

MHSER into the Future

- **DHP Performance Contract**
- **RVUs per FTE**
- **Projection Data**
- **Utilization Rates**


XXth Med Grp - BPA Projections vs Actual WWR (Adjusted for OB & RS)
Visits
Months (Since Oct 98)
June 2001
NADD WWR wo OB/RS
ADD WWR wo OB/RS
Sum of Total Avail Prof & Clin FTEs
NADD BPA Proj
ADD BPA Proj

Recap

DoD Organizational Structure
- Roles, Functions and Responsibilities
The Defense Health Program
The Mission
The MHSER

Questions

Questions ?